

GNANAMBIKAI MILLS LIMITED

**83rd Annual Report
for the year ended 31st March 2020**

GNANAMBIKAI MILLS LIMITED

CIN : U17111TZ1935PLC000056

COIMBATORE

BOARD OF DIRECTORS

Chairman

Shri. V.S. Chinnaswamy

Managing Director

Shri. Senthil Chinnasamy

Directors

Shri. V.S. Kulandaivel

Smt. Banumathy Chinnaswamy

Shri. M. Suresh

Shri. D. Ashok Kumar

Auditors

Mr. K.K. Velumani

Chartered Accountant

Coimbatore

BANKERS

Equitas Small Finance Bank Ltd.

REGISTERED OFFICE

ALANKAR BUILDING

III FLOOR, 551, D.B. ROAD

R.S.PURAM

COIMBATORE - 641 002

MILL

POST BOX NO. 5307

GNANAMBIKAI MILLS POST

COIMBATORE - 641 029

NOTICE TO SHARE HOLDERS

Notice is hereby given that the 83rd Annual General meeting of the members of the Company will be held at the registered Office of the Company at Alankar Buildings, IIIrd Floor, 551, D.B.Road, R.S.Puram, Coimbatore – 641 002, on Thursday 31st December 2020 at 4.30 PM to transact the following business. All members are requested to attend.

AGENDA

Ordinary Business :

1. To receive, consider and adopt the accounts for the period ended 31st March 2020, the Balance Sheet as on 31st March, 2020 and the statement of Profit and Loss for the period ended as on that date and Report of Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Shri. M. Suresh, having (DIN 01868013) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Shri. D. Ashok Kumar, having (DIN 01853514) who retires by rotation and being eligible, offers himself for re-appointment.
4. To fix remuneration to Statutory Auditor.

Notes :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself. Such proxy need not be a member of the company. But a person can act as proxy on behalf of members not exceeding fifty (50) and holding not more than ten percent of the total share capital of the Company.
2. The instrument appointing the proxy, duly completed, must be deposited at the Company's Registered Office not less than 48 hours before the commencement of the meeting. A proxy Form for the AGM is enclosed herewith.
3. Members / Proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
4. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form to enable the Company to serve documents in electronic form.
5. All un claimed dividend shall be transferred to the "Investor Education and Protection Funds" of the Central Government after a period of 7 years from the date of declaration.

Place : Coimbatore
Date : 03.12.2020

By Order of the Board,
Senthil Chinnasamy
Managing Director
(DIN : 00020229)

Details of Director seeking re-appointment pursuant of Secretarial Standards (SS-2)

Name	Shri. M. Suresh
DIN	01868013
Date of Birth	18.10.1971
Date of Appointment on the Board	01.09.2003
Inter-se relationship with other Directors	N.A.
Qualification	Graduate
Expertise in area	Industrialist
No. of Shares held	23965
Board Position held	Director
Terms and conditions of appointment/re-appointment	Rotation by retirement
Remuneration	N.A.
Number of Board Meetings attended during the year	5
Directorships held in other Companies	N.A.
Chairmanship / Membership in other Committees	-

Name	Shri. D. Ashok Kumar
DIN	01853514
Date of Birth	31.10.1971
Date of Appointment on the Board	01.09.2003
Inter-se relationship with other Directors	N.A.
Qualification	Graduate
Expertise in area	Industrialist
No. of Shares held	20820
Board Position held	Director
Terms and conditions of appointment/re-appointment	Rotation by retirement
Remuneration	N.A.
Number of Board Meetings attended during the year	5
Directorships held in other Companies	N.A.
Chairmanship / Membership in other Committees	-

DIRECTORS REPORT

Ladies and Gentleman,

Your Directors are pleased to present the 83rd Annual Report of your Company together with the Audited Statements of Accounts and the Auditors Report of your Company for the financial year ended, 31st March, 2020. The summarized financial results for the year ended 31st March, 2020 are as under:

FINANCIAL PERFORMANCE

The Performance of the Company for the Financial Year ended 31st March, 2020 is summarized below :

Particulars for the financial year	31.03.2020	31.03.2019
Total Revenue	6,69,95,339	2,80,67,582
Less : Total Expenses (excluding Finance Cost, Depreciation and Amortisation Expense & Exceptional Items and Tax)	5,98,46,548	2,21,14,593
Profit / (Loss) Before Interest and Depreciation	71,48,791	59,52,989
Less : Finance Cost / Interest	36,84,585	31,76,553
Less : Depreciation & Amortisation Expense	18,08,991	17,61,779
Less : Exceptional items	-	-
Profit / (Loss) Before Tax	16,55,215	10,14,657
Add : Tax	1,20,462	2,36,300
Profit / (Loss) After Tax (from continuing operations)	17,75,677	12,50,957
Add : Loss After Tax (from discontinuing operations)	-	-
Profit / (Loss) for the year	17,75,677	12,50,957

DIVIDEND

Your Directors regret their inability to recommend any dividend for the financial year ended 31st March 2020 in view of the inadequacy of profits.

PERFORMANCE REVIEW

During the financial year under review, the profit after depreciation and tax was Rs. 17.75 lakhs as against profit of Rs. 12.50 lakhs in the previous year. Your Company has made a turnover of Rs. 501.59 lakhs from Cotton Waste and Cotton Yarn Trading as well as Rs. 164.17 lakhs towards renting of immovable property during the year.

OUTLOOK

The Company explore the possibility of extending the trading of cotton yarn and cotton. In addition to that, efforts are being made to improve the business activities, to enter new areas & products and to increase the revenue of the company.

CHANGES IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business of the Company.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, the extract of the Annual Return for the financial year ended 31/03/2020 as made under the provisions of Section 92 (3) of the Act is attached in the prescribed Form MGT – 9 as Annexure – A which forms part of this report.

AMOUNT TRANSFERRED TO RESERVES

During the year under review, the Board of Directors of your company has not transferred any amount to reserves account.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, there was no unclaimed dividend required to be transferred to the Investor Education and Protection Fund.

HOLDING COMPANY:

During the year under review, Your Company is not a subsidiary to any other Company.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

During the year under review, your Company does not have any Subsidiary or Joint Venture Company or associate company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there have been no significant and material orders passed by the Regulators or Courts or Tribunals, which would impact the going concern status and the Company's operations in future.

DEPOSITS

Your Company has not accepted any deposits within the meeting of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

During the year under review the company has not made any changes in the capital structure of the company.

DIRECTORS

During the year under review, there was no change in the constitution of Board of Directors of the Company except the sad demise of Late Shri. M. Rathinasabapathy on 21/01/2019 due to ill health. In accordance with the Companies Act, 2013 and the Article of Association of the Company, Shri. Suresh and Shri. D. Ashok Kumar Directors of the Company retire by rotation at the ensuing Annual General Meeting and eligible themselves for reappointment.

NUMBER OF BOARD MEETINGS HELD

During the year under review, the Board of Directors of your Company has duly met 6 times during the financial year from 1st April 2019 to 31st March 2020 as per the provisions of the companies Act 2013, read with applicable secretarial standard. The dates on which the meetings were held are as follows:

13th April 2019, 29th May 2019, 22th July 2019, 03rd Sep 2019, 14th November 2019 and 14th February 2020.

S.No.	Name of Directors	Number of Meeting Eligible	Number of Meeting Attended
1	Shri. V.S. Chinnaswamy	6	6
2	Shri. Senthil Chinnasamy	6	6
3	Shri. V.S. Kulandaivel	6	5
4	Smt. Banumathy Chinnaswamy	6	6
5	Shri. M. Suresh	6	5
6	Shri. D. Ashok Kumar	6	5

MATERIAL CHANGES AND COMMITMENTS

There have not been any material changes and commitments affecting the financial position of the company between the end of the financial year of the company as on 31st March, 2020 and the date of this report.

DECLARATION BY INDEPENDENT DIRECTORS

During the year under review, the provisions of Section 149 of the Companies Act, 2013 pertaining to appointment of Independent Directors, does not apply to your Company as the company ceased as Listed Company. However, the company has independent directors.

KEY MANAGERIAL PERSONNEL

During the year under review, the provisions of Section 203 of the Companies Act, 2013 relating to appointment of Key Managerial Personnel, do not apply to your Company.

EXIT FROM DISSEMINATION BOARD OF NSE AND DELISTING STATUS

Your Company had received a letter dated 03/12/2014 from Madras Stock Exchange Limited informing that, the Company has ceased to be a listed Company and moved on to the Dissemination Board of NSE with effect from 01/12/2014. Further, in lieu of the Company ceased to be a listed Company with MSE, the CIN L17111TZ1935PLC000056 has been changed to U17111TZ1935PLC000056. Hence, compliances of Listing Agreement and Secretarial Audit under Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other related Compliances does not arise for the Company.

Further your Company has applied to National Stock Exchange of India Limited to provide exit opportunity to Shareholders and also submitted necessary papers and documents. Subsequently the Company has been removed from Dissemination Board of NSE as per the Communication Circular dated 16/04/2019. Mr. V.S. Chinnaswamy Chairman of the Company, has deposited the money Rs. 22 lakhs in an Escrow Account and executed a Bank Guarantee for Rs. 40 lakhs in favour of NSE by pledging his fixed deposit on behalf of the Company. Further, the payment was made from Escrow Account to those who have submitted shares and the said shares were transferred to Mr. V.S. Chinnaswamy. The Shareholders have submitted 5480 shares upto 31/03/2020 and payment made through Escrow account for the entire shares submitted by the Shareholders on exit offer process.

The Public Announcement Pursuant to Provisions of Clauses (iv), (v), (vi) & amp; (ix) of Annexure-A to SEBI CIRCULAR SEBI / HO / MRD / DSA / CIR / P / 2016 /110 Dated October 10, 2016 was made on 03/01/2019 and individual letter were also sent to the Shareholders. The said exit offer period of one year from 5/1/2019 to 4/1/2020, has been completed.

After the completion of Exit offer process, the completion certificate has been obtained from the Merchant Banker. Your Company has received the Original Bank Guarantee was submitted to the Bank and the escrow account has been closed. Now, your company has completely come out of the Dissemination Board.

AUDITOR

Mr. K.K. Velumani, Chartered Accountant, Coimbatore (Membership Number 3960) appointed as the Statutory Auditor of the Company, to hold office for a period of 5 years from the conclusion of 80th Annual General Meeting until the conclusion of the 85th Annual General Meeting to be held in the calendar year 2022. However, as per the Ministries of Corporate Affairs notification dated 07.05.2018 omitted the ratification of appointment of Statutory Auditor by the shareholders at every Annual General Meeting. Hence, ratification of appointment of Statutory Auditor by share holders at the ensuring Annual General Meeting does not arise.

INTERNAL AUDITOR

Appointment of an internal auditor for the financial year 2019-2020 pursuant to Section 138 of the Company Act, 2013 and read with Rule 13 of the Companies (Accounts) Rules,2014 does not arise, as the company has ceased to be a listed Company with Madras stock Exchange Limited and has been placed on the Dissemination Board of NSE with effect from 01/12/2014, subsequently your Company has been removed from Dissemination Board of NSE as per the communication circular dated 16/04/2019.

COST AUDIT

Provisions relating to Cost Audit and Cost Compliance are not applicable to the Company.

SECRETARIAL AUDITORS REPORT

During the year under review, the provisions relating to Section 204 of Companies Act, 2013 does not apply to your Company.

RISK MANAGEMENT POLICY

Your board has taking necessary steps for the development and implement of the Risk Management Policy, for identifying and managing risk. At present the Company has not identified any element of risk which may threaten the existence of the Company.

INTERNAL FINANCIAL CONTROLS

During the year under Review, Your Company had laid down internal financial controls and such internal financial controls are adequate with reference to the Financial Statements and were operating effectively.

NOMINATION AND REMUNERATION COMMITTEE

During the year under review, the provisions of Section 178 of the Companies Act, 2013 relating to the constitution of a Nomination and Remuneration Committee do not apply to the Company and hence the Company has not devised any policy relating to Directors' appointment and their remuneration.

AUDIT COMMITTEE AND VIGIL MECHANISM

During the year under review, the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its powers) Rules, 2013 is not applicable to the Company.

OBSERVATION OF STATUTORY AUDITOR IN RESPECT OF THEIR AUDIT REPORT

Auditor's observations are suitably explained in the notes to the accounts and are self explanatory.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year, the Company has not provided any loans, guarantees and made investments covered under the provisions of Section 186 of the Companies Act, 2013. Hence no information as per provisions of Section 134(3)(g) of the Companies Act, 2013 has been furnished.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Internal Complaints Committee (ICC) has been set up by the Company to redress complaints received in respect of Sexual Harassment. All employees are covered under this policy. The Company has not received any sexual harassment complaint at workplace during the year 2019-2020.

CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES

Details of Contracts / arrangement with the related form part of this report. All related party transactions that were entered into during the year under report were on arm's length basis and were in the ordinary course of business. The related party transactions made by the Company with Promoter Company, have no potential conflict with the interest of the Company at large. The Company management ensures all the Related Party Transactions to establish Arm's Length Basis without any compromise.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in the Annexure-A to this report.

PARTICULARS OF EMPLOYEES

There are no employees covered under the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY

Provision relating CSR under section 135 of the companies Act, 2013 is not applicable to the company.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of the provisions of section 134 (5) of the Companies Act, 2013, directors would like to state that :

- a) In the preparation of annual accounts for the year ended 31st March 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period.
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

Acknowledgements :

Your Directors wish to thank the Company Bankers, Investors, Customers, Suppliers and Employees for their continuing support in the smooth functioning of your company.

Place : Coimbatore

Date : 03.12.2020

By Order of the Board,

V.S. Chinnaswamy

Chairman

(DIN : 01745060)

Annexure - A**A. CONSERVATION OF ENERGY**

Your Company has not carried any manufacturing activities during the reporting period. Hence, disclosure of Conversion of energy does not arise.

B. TECHNOLOGY ABSORPTION

your Company has not carried any manufacturing activities during the reporting period. Hence, disclosure of Technology Absorption does not arise.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2019 - 2020 & previous financial year 2018 - 2019 there is / was no earnings and outgo of foreign exchange.

Place : Coimbatore
Date : 03.12.2020

By Order of the Board,
V.S. Chinnaswamy
Chairman
(DIN : 01745060)

**ADDENDUM TO THE BOARDS REPORT UNDER SUB SECTION (3) (f) (I) OF
SECTION 134 OF COMPANIES ACT, 2013**

The unsecured loan was obtained from a director during the year 2001-02 out of which an amount of Rs.53,00,000/- has been pending for repayment and the director has ceased to be a director. This may be repaid in the forthcoming year.

Place: Coimbatore
Date : 03.12.2020

By Order of the Board,
V.S. Chinnaswamy
Chairman
(DIN : 01745060)

Annexure B
Form No. MGT 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i. CIN	U17111TZ1935PLC000056
ii. Registration Date	12/02/1935
iii. Name of the Company	Gnanambikai Mills Limited
iv. Category / Sub-Category of the Company	Company Limited by Shares / Indian Non - Government Company
v. Address of the Registered Office and Contact details	Alankar Building, 3 rd Floor, 551, Dewan Bhadhur Road, R.S. Puram, Coimbatore - 641 002.
vi. Whether listed company	Unlisted Company
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

SI.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Rental Income	68100	24.66%
2.	Cotton Waste Trading	05202	75.33%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI.No.	Name and Address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	NA	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
a) Individual/HUI	NIL	5,02,030	5,02,030	93.00	130640	374270	5,04,910	93.54	0.54
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt. (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other...	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1) :	NIL	5,02,030	5,02,030	93.00	130640	374270	5,04,910	93.54	0.54
(2) Foreign									
a) NRIs - Individual	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other - Individual	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other...	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	NIL	5,02,030	5,02,030	93.00	1,30,640	3,74,270	5,04,910	93.54	0.54
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/ Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Venture Capital funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) Foreign Venture Capital Fund	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corp	NIL	3,210	3,210	0.59	NIL	2,760	2,760	0.51	0.08
i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

I) Individual shareholders holding nominal share capital upto Rs.1 lakh	NIL	34,560	34,560	6.40	NIL	32130	32130	5.95	(0.45)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	NIL	Nil	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Others (Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):	NIL	34560	34560	6.40	NIL	32,130	32,130	5.95	(0.45)
Total Public Shareholding (B)= (B)(1) + (B)(2)	NIL	37,770	37,770	7.00	NIL	34,890	34,890	6.46	(0.54)
1(C) Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	NIL	5,39,800	5,39,800	100.00	NIL	5,39,800	5,39,800	100.00	NIL

(ii) Shareholding of Promoters

SI. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shri.V.S.Chinnaswamy	56,370	10.44	0	60,230	11.16	0	0.72
2	Shri.V.S.Kulandaivel	500	0.09	0	500	0.09	0	0.00
3	Smt.Banumathy Chinnaswamy	1,950	0.36	0	1,950	0.36	0	0.00
4	Shri.Ramkumar Giri	3,24,700	60.15	0	3,24,700	60.15	0	0.00
5	Smt. Saranya Ramkumar	750	0.14	0	750	0.14	0	0.00
6	Shri. Senthil Chinnasamy	6,975	1.29	0	7,275	1.35	0	0.06
7	Shri. M.Suresh	23,965	4.44	0	23,965	4.44	0	0.00
8	Shri. D.Ashok Kumar	20,820	3.86	0	20,820	3.86	0	0.00
9	Shri. M.Rathinasabapathy	500	0.09	0	0	0	0	0.00
10	Shri.C.N.Subramaniam	780	0.14	0	0	0	0	0.00
11	Shri. J.C. Krishnakumar	25,755	4.77	0	25,755	4.77	0	0.00
12	Smt. Purni Krishnakumar	22,565	4.18	0	22,565	4.18	0	0.00
13	Smt. Akhila Senthil	10,960	2.03	0	10,960	2.03	0	0.00
14	MS. Shivani Senthil	5,440	1.01	0	5,440	1.01	0	0.00
	Total	5,02,030	93.00	0	5,04,910	93.54	0	0.54

iii) Changes in Promoters' Shareholding :

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
1.	Mr. V.S. Chinnaswamy				
	At the beginning of the year	56,370	10.44	56,370	10.44
	Share Transferred	3,860	0.72	3860	0.72
	At the End of the year	60,230	11.16	60,230	11.16
2.	Mr. Senthil Chinnasamy				
	At the beginning of the year	6975	1.29	6975	1.29
	Share Transferred	300	0.06	300	0.06
	At the End of the year	7275	1.35	7275	1.35
3.	Mr. M. Rathinasabapathy				
	At the beginning of the year	500	0.09	500	0.09
	Share Transferred	500	0.09	500	0.09
	At the End of the year	0	0	0	0
4.	Mr. C.N. Subramaniam				
	At the beginning of the year	780	0.14	780	0.14
	Share Transferred	780	0.14	780	0.14
	At the End of the year	0	0	0	0

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
1.	Mrs.R. Palaniammal				
	At the beginning of the year	2,435	0.45	N.A.	N.A.
	Date wise Increase I Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment I transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	2,435	0.45

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
2.	The Sree Meenakshi Mills Ltd				
	At the beginning of the year	1,860	0.34	N.A.	N.A.
	Date wise Increase I Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment I transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	1,860	0.34

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
3.	Mr.V.K.Selvakumar				
	At the beginning of the year	1515	0.28	N.A.	N.A.
	Date wise Increase I Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment I transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	1515	0.28

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
4.	Mr.V.K.Prabakaran				
	At the beginning of the year	1515	0.28	N.A.	N.A.
	Date wise Increase I Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment I transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	1515	0.28

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
5.	Mrs.Rajarnbal Veluswamy				
	At the beginning of the year	1275	0.24	N.A.	N.A.
	Date wise Increase I Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment I transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	1275	0.24

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
6.	Mr.V.V.Sundaram				
	At the beginning of the year	1185	0.22	N.A.	N.A.
	Date wise Increase I Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment I transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	1185	0.22

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
7.	M/s. Pudhukotai Corporation P Ltd.,				
	At the beginning of the year	900	0.17	N.A.	N.A.
	Date wise Increase I Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment I transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	900	0.17

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
8.	Mr.V.V.Kaliswamy Gounder & Mrs.Sivakiamammal				
	At the beginning of the year	870	0.16	N.A.	N.A.
	Date wise Increase I Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment I transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	870	0.16

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
9.	Mr.M.Padmanaban				
	At the beginning of the year	750	0.14	N.A.	N.A.
	Date wise Increase I Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment I transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	750	0.14

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
10.	Mrs. M. Kothaiachi				
	At the beginning of the year	600	0.11	N.A.	N.A.
	Date wise Increase I Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment I transfer / bonus / sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	600	0.11

v) Shareholding of Directors and Key Managerial Personnel;

SI. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	SENTHIL CHINNASAMY				
a)	At the beginning of the year	6975	1.29	6975	1.29
b)	Shares Transferred on 06.02.2020	300	0.06	300	0.06
c)	At the end of the year	7275	1.35	7275	1.35
2.	V.S.CHINNASWAMY				
a)	At the beginning of the year	56370	10.44	56,370	10.44
b)	Shares Transferred on 11-02-2019	3,860	0.72	3,860	0.72
c)	At the end of the year	60,230	11.16	60,230	11.16
3.	V.S.KULANDAIVEL				
a)	At the beginning of the year	500	0.09	500	0.09
b)	Changes during the year	NO CHANGE DURING THE YEAR			
c)	At the end of the year	500	0.09	500	0.09
4.	BANUMATHY CHINNASWAMY				
a)	At the beginning of the year	1950	0.36	1950	0.36
b)	Changes during the year	NO CHANGE DURING THE YEAR			
c)	At the end of the year	1950	0.36	1950	0.36
5.	M. SURESH				
a)	At the beginning of the year	23965	4.44	23965	4.44
b)	Changes during the year	NO CHANGE DURING THE YEAR			
c)	At the end of the year	23965	4.44	23965	4.44
6.	D. ASHOK KUMAR				
a)	At the beginning of the year	20820	3.86	20820	3.86
b)	Changes during the year	NO CHANGE DURING THE YEAR			
c)	At the end of the year	20820	3.86	20820	3.86

V. INDEBTEDNESS

Rs. in lakhs

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	225.03	502.43	41.00	768.46
ii) Interest due but not paid	-	9.11	28.55	37.66
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	225.03	511.54	69.55	806.12
Change in Indebtedness during the financial year				
• Addition	34.01	7.93	2.21	44.16
• Reduction	(49.64)	(14.11)	(2.95)	(66.70)
Net Change	(15.63)	(6.18)	(0.74)	(22.54)
Indebtedness at the end of the financial year				
i) Principal Amount	209.40	497.43	41.00	747.83
ii) Interest due but not paid	-	7.94	27.82	35.76
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	209.40	505.37	68.82	783.59

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

SI. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross salary	Senthil Chinnasamy	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,00,000	NA	NA	NA	12,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,91,940	NA	NA	NA	7,91,940
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NA	NA	NA
2.	Stock Option	NA	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA	NA
4.	Commission- as % of profit - others, specify...	NA	NA	NA	NA	NA
5.	Others, please specify	NA	NA	NA	NA	NA
	TOTAL (A)	19,91,940	NA	NA	NA	19,91,940
	Ceiling as per the Act	NA	NA	NA	NA	NA

B. Remuneration to Other Directors: Not Applicable

SI. No.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors				
	Fee for attending board / committee meetings	NA	NA	NA	NA
	Commission	NA	NA	NA	NA
	Others, please specify	NA	NA	NA	NA
	Total (1)	NA	NA	NA	NA
	Other Non-Executive Directors				
	Fee for attending board / committee meetings	NA	NA	NA	NA
	Commission	NA	NA	NA	NA
	Others, please specify	NA	NA	NA	NA
	Total (2)	NA	NA	NA	NA
	Total (B) = (1+2)	NA	NA	NA	NA
	Total Managerial Remuneration	NA	NA	NA	NA
	Overall Ceiling as per the Act	NA	NA	NA	NA

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: Not Applicable

SI. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	NA	NA	NA
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NA	NA	NA
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NA	NA
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission- as % of profit - others, specify...	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	TOTAL (C)	NA	NA	NA	NA
	Ceiling as per the Act	NA	NA	NA	NA

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : Not Applicable

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

INDEPENDENT AUDIT REPORT

UDIN : 20003960AAAAAA4024

**To the Members of M/s. GNANAMBIKAI MILLS LIMITED
Report on the audit of the Financial Statements****Opinion**

I have audited the accompanying financial statements of M/s GNANAMBIKAI MILLS LIMITED ("the Company") which comprises the Balance Sheet as at March 31st, 2020, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- 1) of the state of affairs of the Company as at March 31st, 2020,
- 2) its Profits and
- 3) its Cash Flows for the year ended on that date.

Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the auditor's Responsibilities for the audit of the financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with rule 7 of companies (Accounts) Rules 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no

realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing specified under Section 143 (10), I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. I consider quantitative materiality and qualitative factors in

- (i) Planning the scope of my audit work and in evaluating the results of my work and
- (ii) To evaluate the effect of any identified misstatements in the financial statements.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

EMPHASIS OF MATTER :

I draw attention to the following matters in the notes to the financial statements:

Note 33

The company has received a notice from the office of the commissioner of customs Tuticorin dated 03.02.2017 requesting to furnish the documents relating to the EPCG licence No. : 3230008252, for which the company has submitted a reply vide letter dated 01.03.2017 submitting the documents required.

Note 35

A loan was obtained from a director during the year 2001-02 out of which an amount of Rs. 53,00,000/- has been pending for repayment and the director has ceased to be a director.

Note 36

The Company has received a letter dated 03.12.2014 from Madras Stock Exchange Limited informing that, the company has ceased to be a listed Company and moved on to the Dissemination Board of NSE with effect from 01.12.2014. Further, in lieu of the Company ceased to be a listed company with MSE, the CIN L17111TZ1935PLC000056 has been changed to U17111TZ1953PLC000056. Hence, compliances of Listing Agreement and Secretarial Audit under Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other related Compliances does not arise for the Company.

The company has applied to National Stock Exchange of India Limited to provide exit opportunity to Shareholders and also submitted necessary papers and documents. Subsequently the Company has been removed from Dissemination Board of NSE as per the Communication Circular dated 16.04.2019. Mr. V.S. Chinnaswamy Chairman of the Company, has deposited the money Rs.22 lakhs in an Escrow Account and executed a Bank Guarantee for Rs.40 lakhs in favour of NSE by pledging his fixed deposit on behalf of the Company. Further, the payment was made from Escrow Account to those who have submitted shares and the said shares were transferred to Mr. V.S. Chinnaswamy. The shareholders have submitted 5480 shares upto 31.03.2020 and payment was made through Escrow account for entire shares submitted by the Shareholders on exit offer process.

The Public Announcement Pursuant to Provisions of Clauses (iv),(v),(vi) & (ix) of Annexure-A TO SEBI CIRCULAR SEBI/HO/MRD/DSA/CIR/P/2016/110 Dated October 10,2016 was made on 03/01/2019 and individual letter were also sent to the Shareholders. The said exit offer period of one year from 5/1/2019 to 4/1/2020, has been completed.

After the completion of one year from the end of exit offer, compliance certificate has been obtained from the Merchant Banker. The company has submitted the compliance certificate and other required documents to NSE during the year and NSE has released the bank guarantee vide letter dt. 10.11.2020 and the same was submitted

to the Bank and the escrow account has been closed. Now, the Company has completely come out of the Dissemination Board .

Note 40

During the year interest free Fixed deposit held by Mr. Senthil Chinnasamy Rs. 1,36,00,000 has been converted into Fixed Deposit with interest at the rate of 4% per annum with effect from 01.04.2019 as per the Board Resolution dated. 13.04.2019.

Note 41

Nationwide lockdown, consequent to spread of COVID-19 pandemic had temporarily disrupted the operations of the Company. The business activities during the period (March 24th to March 31st, 2020) were inoperative, which along with the COVID impact globally (before the lockdown in India) impacted the revenues for the year. Broadly, the impact on revenue for the year is assessed at about Rs.11 lakhs. Based on the internal and external information up to the date of approval of the financial statements, the company expects to recover the carrying amounts of its assets, investments, trade receivables & contract assets. The Company will continue to monitor the future economic conditions and assess its impact on its financial statements.

My Opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, I give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, I report that :

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in my opinion and to the best of my information and according to the explanations given to me, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to

the explanations given to me :

1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as below:

Note No.37. The company has filed a case against M/s. Padmanabha Auto Weavers, M/s. Sri Vaari Spinning Mills, M/s. SSM Mills Private Limited and M/s. V.R.Textiles P. Ltd. amounting to Rs.2,26,600/- Rs.19,19,337/- Rs.2,40,830/- and Rs.60,06,431/- respectively towards sale of cotton yarn and cotton, which is pending in the court.

2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

K.K. Velumani
Chartered Accountant
Membership No.3960

Place: Coimbatore
Date : 03.12.2020

Annexure-A to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of my report of even date to the members of GNANAMBIKAI MILLS LIMITED ("the company"). On the accounts of the company for the year ended 31st March 2020.

On the basis of such checks as I considered appropriate and according to the information and explanations given to me during the course of my audit, I report that:

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The Company has a program of physical verification to cover all the items of fixed assets in a phased manner over a period of three years, which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to me, no material discrepancies were noticed on such verification.
- (c) As per the information and explanations and records provided for verification, all the immovable properties held by the company are owned by the company and the title deeds and other documents are held in the name of the company. Except the following Note No.28.The Company's title of land bearing S.F.No.305 and 324 in which to the extent of 62 cents is under dispute for which the suit are pending before of the Honourable high court of Chennai.
2. According to the information and explanations given to me physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
3. According to the information and explanations given to me and on the basis of my examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3(a) and 3(b) is not applicable.
4. The company has not provided loans or investments or guarantees or securities which fall under the purview of sec 185 and 186 of the Companies Act, 2013. Accordingly paragraph 3(iv) of the Order is not applicable.
5. According to the information and explanations given to me, the company has accepted deposits from related parties

Particulars	Name of the Party	Amount as on 31.03.2020	Remarks
Inter corporate Deposits from companies in which directors are interested	M/s. GNM Textiles Pvt Ltd	6882459	
Interest free fixed deposits from shareholders	Shri. Ramkumar Giri	5300000	
Interest free fixed deposits from Directors	Shri. Senthil Chinnasamy	14089600	
Interest free fixed deposits from Director	Shri. V.S. Chinnaswamy	26000000	
Interest free Cumulative deposits from Director	Shri. V.S. Chinnaswamy	814000	
Interest free Cumulative deposits from Director	Shri. V.S. Chinnaswamy	279353	
Unsecured loans @ 9%	Shri. Senthil Chinnasamy	4053750	
		57419162	

The company has not accepted any deposits from the public as mentioned under sections 73 to 76 of the companies act 2013.

6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable to the company since the turnover is within the prescribed limit.
7. According to the information and explanations given to me, the company is regular in depositing with the appropriate authorities the undisputed statutory dues in the case of Provident Fund, Employees State Insurance, Income tax, Sales Tax, Excise Duty, Service Tax, Cess, Wealth Tax, Tax deducted at Source, GST and other material Statutory dues. To the best of my knowledge and according to the information and explanations given to me, there are no arrears of outstanding statutory dues as at March 31st, 2020 for a period of more than six months from the date they became payable except ESI Payable Rs. 1.83.057/-, Urban Land Tax Payable Rs. 15,36,250/- & GST of Rs.47,450/-.
8. In my opinion and according to the information and explanations given to me, the company has not defaulted in repayment of any dues to financial institutions and banks.
9. In my opinion and according to the information and explanations given to me, the company has not raised any money by the way of initial public offer (including debt instruments) and hence this clause is not applicable.
10. According to the information and explanations given to me, by the company, no fraud on or by the company has been noticed or reported, during the year.
11. In my opinion and according to the information and explanations given to me, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. The company is not a Nidhi company hence the provisions of clause 3(12) of the order is not applicable.
13. All transactions mentioned are in compliance with Sec 188 of the Companies Act, 2013 and are disclosed as required under the applicable Accounting Standard.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence clause 3(14) is not applicable.
15. The company has not entered into any non-cash transactions with the directors or the persons connected with him which will come under the preview of sec 192 of the Companies Act, 2013.
16. As the company is not in non-banking financial services the Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934.

Place: Coimbatore
Date : 03.12.2020

K.K. Velumani
Chartered Accountant
Membership No.3960

Annexure-B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of the company on the Financial Statements for the year ended on 31st March 2020)

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of GNANAMBIKAI MILLS LIMITED ("the Company"), as of 31 March 2020 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing & evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in occurrence with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of record that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of company.
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over financial reporting

Because of the inherent limitations of Internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion and according to the information and explanations given to me the Company has, in all material respects, an adequate internal financial controls system over financial reporting were operating effectively as at 31.03.2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial control over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Coimbatore
Date : 03.12.2020

K.K. Velumani
Chartered Accountant
Membership No.3960

BALANCE SHEET FOR THE YEAR ENDED 31.03.2020

Particulars	Note No	As at 31.03.2020	As at 31.03.2019
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS FUNDS:			
(a) Share Capital	1	5398000	5398000
(b) Reserve & Surplus	2	(262681)	(2038358)
(c) Money received against share warrants		-	-
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
(3) NON-CURRENT LIABILITIES			
(a) Long-Term Borrowings	3	70472613	73999602
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	4	10131226	10006226
(d) Long Term Provisions		-	-
(4) CURRENT LIABILITES			
(a) Short-Term Borrowings	5	1359641	0
(b) Trade Payables	6	431315	3999843
(c) Other Current Liabilities	7	11292143	10692905
(d) Short-Term Provisions	8	682103	687538
TOTAL EQUITY & LIABILITIES		99504360	102745756
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, Plant & Equipment			
(i) Tangible Assets	9	76953451	76869765
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		0	0
(iv) Intangible asset under development		0	0
(b) Non-Current Investments	10	6696	10518
(c) Deferred Tax Asset	11	4545600	4361800
(d) Long Term Loans and Advances	12	1030103	2206937
(e) Other Non-Current Assets	13	240830	240830
(2) CURRENT ASSETS			
(a) Current Investments		-	-
(b) Inventories		0	0
(c) Trade Receivables	14	9420921	11269047
(d) Cash and Bank Balances	15	1008001	1406681
(e) Short-Term Loans and Advances	16	4622515	4841960
(f) Other Current Assets	17	1676243	1538218
		99504360	102745756

Notes on Financial Statements 1 to 25
For and on behalf of the Board

V.S.Chinnaswamy
Chairman
(DIN: 01745060)

Senthil Chinnasamy
Managing Director
(DIN: 00020229)

V.S.Kulandaivel
Director
(DIN: 01086943)

K.K. Velumani
Chartered Accountant
Membership No.3960

Place: Coimbatore
Date : 03.12.2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2020

Sr. No.	Particulars	Note No	As at 31.03.2020	As at 31.03.2019
I	Revenue from Operations	18	50159046	12726255
II	Other Income	19	16836293	15341327
III	Total Revenue (I +II)		66995339	28067582
IV	Expenses:			
	Cost of Materials Consumed			
	Purchase of Stock-in-Trade	20	49060710	12245763
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade			
	Employee Benefit Expense	21	5387068	4551263
	Financial Costs	22	3684585	3176553
	Depreciation and Amortization Expense	23	1808991	1761779
	Other Expenses	24	5398770	5317567
	Total Expenses (IV)		65340124	27052925
V	Profit before exceptional and extraordinary items and tax	(III-IV)	1655215	1014657
VI	Exceptional Items			
	Profit on Sale of Assets		0	0
VII	Profit before Extraordinary Items and Tax (V - VI)		1655215	1014657
VIII	Extraordinary Items			
IX	Profit Before Tax (VII - VIII)		1655215	1014657
X	Tax Expense:			
	(1) Current Tax		0	195220
	Less: MAT Credit		0	(195220)
	(2) Deferred Tax		(183800)	(236300)
	(3) Income Tax - Earlier Year		63338	0
			(120462)	(236300)
XI	Profit (Loss) from the period from continuing operations	(IX-X)	1775677	1250957
XII	I) Profit/(Loss) from discontinuing operations		0	0
	ii) Gain/(Loss) on disposal of assets attributable to the Discontinuing Operations		0	0
XIII	Tax expense of discounting operations			-
XIV	Profit/(Loss) from Discontinuing operations	(XII-XIII)	0	0
XV	Profit/(Loss) for the period (XI + XIV)		1775677	1250957
XVI	Earning per equity share:			
	(1) Basic			
	Computed on the basis of loss from continuing Operations		3.29	2.32
	Computed on the basis of total loss for the year		3.29	2.32
	(2) Diluted			
	Computed on the basis of loss from continuing Operations		3.29	2.32
	Computed on the basis of total loss for the year		3.29	2.32

Notes on Financial Statements 1 to 25
For and on behalf of the Board

V.S.Chinnaswamy
Chairman
(DIN: 01745060)

Senthil Chinnasamy
Managing Director
(DIN: 00020229)

V.S.Kulandaivel
Director
(DIN: 01086943)

K.K. Velumani
Chartered Accountant
Membership No.3960

Place: Coimbatore
Date : 03.12.2020

NOTES ANNEXED TO THE BALANCE SHEET

	Amount As at 31.03.2020	Amount As at 31.03.2019
Note 1 : SHARE CAPITAL		
AUTHORISED CAPITAL		
2000 12% (Less Tax) Cumulative Preference Shares of Rs.100/- each	200000	200000
970000 Equity Shares of Rs. 10/- each	9700000	9700000
	9900000	9900000
ISSUED CAPITAL		
565480 Equity Shares of Rs.10/- each	5654800	5654800
SUBSCRIBED AND PAID UP CAPITAL		
539800 Equity Shares of Rs.10/-each	5398000	5398000
Reconciliation in number of shares		
Opening	539800	539800
Issued during the year	0	0
	539800	539800
Brought Back during the year	0	0
Closing	539800	539800

Each equity shareholder is entitled to one vote per share. In the event of liquidation of the company the holder of equity share will be entitled to receive remaining assets of the company after settlement of all preferential amounts. The dividend proposed by the Board of Directors if any, is subject to the approval of shareholders in the Annual General Meeting.

There are Nil number of shares (Previous Year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate company in aggregate.

Shares in the company held by each shareholder holding more than 5% shares.

Name of The Shareholder	No. of Shares Held	Percentage (%)	No. of Shares Held	Percentage (%)
V.S.Chinnaswamy	60230	11.16%	56370	10.44%
Ramkumar Giri	324700	60.15%	324700	60.15%

There are Nil number of shares (Previous Year Nil) reserved for issue under option and contracts/commitment for the sale of shares/disinvestment including the terms and amounts.

For the period of five years immediately preceding the date as at which the balance sheet is prepared.

Particulars	No. of Shares	No. of Shares
Aggregate number and class of shares allotted as fully paidup pursuant to contract(s) without payment being received in cash	Nil	Nil
Aggregate number and class of shares allotted as fully paidup by way of bonus shares	Nil	Nil
Aggregate number and class of shares bought back	Nil	Nil

There are no securities (Previous Year No) convertible into Equity/Preferential Shares.

There are no calls unpaid (Previous Year No) including calls unpaid by Directors and officers as on balance sheet date.

Note 2 : RESERVES AND SURPLUS

	Amount As at 31.03.2020	Amount As at 31.03.2019
Revaluation Reserve		
Opening Balance	40948602	40948602
Add: Additions during the year	0	0
	40948602	40948602
Less: Transfer to Profit & Loss account due to part sale of revalued asset #	0	0
Sub - Total (A)	40948602	40948602

	Amount As at 31.03.2020	Amount As at 31.03.2019
Surplus (Profit & Loss Account)		
Opening Balance	(42986960)	(44237917)
Add: Prior year Income tax provision written back	0	0
Add: Profit/(Loss) for the period	1775677	1250957
Add: Excess Prov. of the previous year written Back	0	0
Add: Transfer from Revaluation Reserve	0	0
	<u>(41211283)</u>	<u>(42986960)</u>
Less : Transfer	0	0
Sub - Total (B)	<u>(41211283)</u>	<u>(42986960)</u>
TOTAL (A) + (B)	<u>(262681)</u>	<u>(2038358)</u>

There is no reserve specifically represented by earmarked investments which can be termed as fund.

Note 3 : LONG TERM BORROWINGS

Secured

Term Loan from bank	16372566	18823272
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The above Term Loan is secured by Industrial Land at Thiruvalluvar Street, SF No.325/2C of Vellakinar Village, Coimbatore Corpn Tk & Dist to the extent of 1.54 acre.

HP loans from Banks/ Financial institutions	256694	832977
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The above HP loan is secured by way of hypothecation of the car worth Rs.3486037/-

For the Year 31.03.2020

Particulars	No. of Instalments due	Maturity	Instalment due	Rate of Interest
Equitas Small Finance Bank Ltd. - Loan I	72 Months	10.03.2026	3,35,735	10.25%
Equitas Small Finance Bank Ltd. - Loan II	61 Months	10.04.2025	16,706	10.25%
Kotak Mahindra Prime Ltd.	17 Months	01.08.2021	52,565	9.5%

For the Year 31.03.2019

Particulars	No. of Instalments due	Maturity	Instalment due	Rate of Interest
Yes Bank Ltd.	97 Months	31.03.2026	16,706	9.85%
Kotak Mahindra Prime Ltd.	29 Months	01.08.2021	52,565	9.5%

Unsecured

Deposit (Inter Corporate Borrowings)*	4100000	4100000
---------------------------------------	---------	---------

* The above inter-corporate loan is obtained by the management which is not repayable in the near future and the management is yet to take a decision about the period of maturity & no of installments to be paid. The above loan carries 6% rate of interest.

Deposits From Directors	45993353	45993353
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§ The above deposits is obtained by the management which is not repayable in the near future and the management is yet to take a decision about the period of maturity & no of installments to be paid. The above deposits was a interest free loan so rate of interest is NIL.

Loan from directors	3750000	4250000
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70472613	73999602
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§ The above Unsecured loan is obtained by the management which is for the purpose of renovation of building. The above loan is carrying interest @ of 9% with effect from 01.04.2016.

Note 4 : OTHER LONG TERM LIABILITIES

Others

Creditors for Expenses	1343226	1343226
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Rent Advance	8788000	8663000
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10131226	10006226
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The Management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of Micro and Small Enterprises, as defined under Micro, Small and Medium Enterprises development act 2006. Accordingly, the disclosure in respect of the amount payable to such enterprises as at 31.03.2020 has been made in the financial statement based on information received and available with the company. Further in view of the management, the impact of Interest if any that may be payable in accordance with the provisions of the Act is not expected to be material. The company has not received any claim for interest from supplier under the said act.

Particulars	31.03.2020	31.03.2019
The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the company along with the amount of the payments made to the supplier beyond the appointed day during the period	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil
Note 5 : SHORT - TERM BORROWINGS		
Secured		
Bank Overdraft	1359641	0
The above overdraft is secured by Land at Thiruvalluvar Street, SF No. 325/2C of Vellakinar Vellage, Coimbatore Corporation Tk & Dist to the extent of 1.54 acres and by hypothecation of all current assets and movable fixed assets excluding vehicles specifically hypothecated.		
	<u>1359641</u>	<u>0</u>
Note 6 : TRADE PAYABLE		
Current for Raw Materials		
- Dues to Micro and Small Enterprises	0	0
- Dues to Others	0	3764679
Creditors for Consumables		
- Dues to Micro and Small Enterprises	0	0
- Dues to Others	213114	16963
Creditors for Contractors		
- Dues to Micro and Small Enterprises	0	0
- Dues to Others	218201	218201
	<u>431315</u>	<u>3999843</u>
Note 7 : OTHER CURRENT LIABILITIES		
Current maturities of Long-Term Debt		
- Term Loan from Banks		
Secured	2413975	2322231
- HP Loan from Banks/Financial Institutions		
Secured	576283	524224
Interest accrued but not due on Barrowings	110789	0
Interest Accrued and due on Barrowings	2782459	2856059
Interest Accrued and due on Unsecured loan	303750	911250
Interest Accrued and due on deposits (w.e.f.01.04.2019 @ 4% as per BR 13.04.2019)	489600	0
Liability for Taxes	602307	2188586
Creditors for Expenses	1795706	1297503
Outstanding Expenses	2217273	593052
	<u>11292142</u>	<u>10692905</u>
Note 8 : SHORT-TERM PROVISIONS		
Provision For Employees Benefit		
Provision for Gratuity	1212130	987439
Less: Funded - Plan asset	530027	495121
- Gratuity Payable	682103	492318
Others		
Provision for Income Tax	0	195220
Provision for Depreciation	0	
	<u>682103</u>	<u>687538</u>

NOTE ANNEXED TO THE BALANCE SHEET
Note 9 : FIXED ASSETS

(Amount in Rupees)

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Cost As on 01.04.2019	Additions	Transfer to Asset held for sale	Transfer/ Sales	As on 31.03.2020	Up to 01.04.2019	Withdrawn	Transfer to Asset held for sale	Depn. For the Year	Up to 31.03.2020	As on 31.03.2020	As on 31.03.2019
TANGIBLE												
Land	41158122	0	0	0	41158122	0	0	0	0	0	41158122	41158122
Building	46766148	1557875	0	0	48324023	13816227	0	0	1213830	15030057	33293966	32949921
Furniture & Fittings	183019	0	0	0	183019	176330	0	0	3850	180180	2839	6689
Vehicles	4769045	0	0	0	4769045	2397596	0	0	445667	2843263	1925782	2371449
Office Equipments	567897	47600	0	0	615497	436843	0	0	43796	480639	134858	131054
Electrical Fittings	968861	234322	0	0	1203183	835954	0	0	28914	864868	338315	132907
Computer	1328964	52881	0	0	1381845	1209341	0	0	72934	1282275	99570	119623
INTANGIBLE		0		0	0	0	0		0	0	0	0
Sub Total (A)	95742056	1892678	0	0	97634734	18872291	0	0	1808991	20681282	76953452	76869765
Capital Work in Progress												
Building - WIP	0	0		0	0	0	0	0	0	0	0	0
Sub Total (B)	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL (A)+(B)	95742056	1892678	0	0	97634734	18872291	0	0	1808991	20681282	76953452	76869765
PREVIOUS YEAR	95642493	99563	0	0	95742056	17110512	0	0	1761779	18872291	76869765	78531981

			Amount As at 31.03.2020	Amount As at 31.03.2019
Note 10 : NON-CURRENT INVESTMENTS				
Trade Investments			Nil	Nil
Other Investments				
a) Investments in Subsidiary, associates, joint venture or controlled special purpose entities				
I) Investments in Equity Instruments			Nil	Nil
b) Investments in Others				
I) Investments in Equity Instruments				
Shanthi Gears Ltd., -7914 shares @Rs.1/- each Cost	1871		1979	
Less: Provision for Fall in Value of Investments	0	1871	0	1979
Essar Steel India Ltd.,-195 shares @Rs.10/- each Cost	24156		24156	
Less: Provision for Fall in Value of Investments	22206	1950	22206	1950
Oswal Agro Mills Ltd.,-100 shares @Rs.10/- each Cost	12225		12225	
Less: Provision for Fall in Value of Investments	11825	400	11415	810
Lloyds Finance Ltd.,-150 shares @Rs.10/- each Cost	6500		6500	
Less: Provision for Fall in Value of Investments	6388	112	6388	112
Patspin India Ltd., - 100 Shares @Rs.10/- each Cost	1000		1000	
Less: Provision for Fall in Value of Investments	760	240	0	1000
Nahar Industrial Enterprises Limited – 100 shares @Rs.10/- each Cost	12000		12000	
Less: Provision for Fall in Value of Investments	10215	1785	7745	4255
Asian Consolidated Ltd.,-500 shares @Rs.10/- each Cost	16000		16000	
Less: Provision for Fall in Value of Investments	15950	50	15950	50
Uttam Value Steels Limited – 200 shares @ Rs.10/- each Cost	1000		1000	
Less: Provision for Fall in Value of Investments	900	100	900	100
Western Paques Ltd.,- 400 shares @Rs.10/- each Cost	26000		26000	
Less: Provision for Fall in Value of Investments	25960	40	25960	40
Steller Exports Ltd., - 1000 shares @Rs.10/- each Cost	10000		10000	
Less: Provision for Fall in Value of Investments	9900	100	9900	100
Lloyds Steels Industries Ltd., - 136 shares @Rs.1/- each Cost	136		136	
Less: Provision for Fall in Value of Investments	88	48	14	122
			6,696	10,518
Aggregate amount of quoted Investment			1,10,888	1,10,996
Market Value of quoted investments			4,95,776	10,31,064
Aggregate amount of unquoted Investment			0	0
Aggregate Provision for diminution in value of Investments			0	0
Note 11 : DEFERRED TAX ASSET				
Opening Balance			43,61,800	4125500
Adjustment during the year			1,83,800	236300
			4,545,600	4361800

Note 12 : LONG TERM LOANS AND ADVANCES

i) Capital Advances

Unsecured, considered good;

Advances Towards Capital Expenditure #	185082	1210000
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ii) Security Deposit

Secured, considered good;

Electricity Deposit

92260	68332
-------	-------

Deposit – Telex

10000	10000
-------	-------

Demat Account -Deposit

0	9491
---	------

Deposit - Water Connection

64660	64660
-------	-------

Deposit with Demat & NSDL

18867	0
-------	---

Telephone Deposits

23175	23175
-------	-------

Indane Gas Deposits

1550	1550
------	------

Unsecured, considered good;

Security Deposits

444580	444580
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Deposits- Fuel – Petrol Bunk

20000	10000
-------	-------

Unsecured, considered good;

iii) Loans & Advances to Related Parties *

0	0
---	---

Unsecured, considered good;

iv) Other Loans & Advances

Advances to Suppliers #

0	0
---	---

Advances to Staff & Workers

0	0
---	---

MAT Credit

169929	365149
--------	--------

Prepaid Expenses

0	0
---	---

Doubtful

v) Other Loans & Advances

Advances to Suppliers

0	0
---	---

<u>1030103</u>	<u>2206937</u>
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There are no dues by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by a firms or private companies respectively in which any director is a partner or a director or a member.

Note 13 : OTHER NON-CURRENT ASSETS

Long Term Trade Receivables

a) Secured, Considered Good :

0	0
---	---

b) Unsecured, Considered Good :

Trade Receivables #

240830	240830
--------	--------

c) Doubtful

Other Loans & Advances

<u>240830</u>	<u>240830</u>
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There are no dues by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by a firms or private companies respectively in which any director is a partner or a director or a member.

Note 14 : TRADE RECEIVABLES

Outstanding for more than six months

a) Secured, Considered Good :	0	0
b) Unsecured, Considered Good :	8152368	8152368
c) Doubtful	0	0
Others *		
a) Secured, Considered Good :	1268553	3116679
b) Unsecured, Considered Good :	0	0
c) Doubtful	0	0
	<u>9420921</u>	<u>11269047</u>

* There are no dues by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by a firms or private companies respectively in which any director is a partner or a director or a member.

Note 15 : CASH AND BANK BALANCES

Cash & Cash Equivalents

Cash on Hand	244532	152691
Other Bank Balances		
Balance with Banks	131969	1222490
Banks Deposits < 12 Months	600000	0
Banks Deposits > 12 Months	31500	31500
	<u>1008001</u>	<u>1406681</u>

Note 16 : SHORT TERM LOANS & ADVANCES

(Unsecured, Considered good, Recoverable in Cash or kind)

Others

(Advance Recoverable in cash or in kind or for value to be considered good)

Advances to Suppliers @	5889	6489
Advances to Staff & Workers	422295	146795
Deposits with Govt/Other Authorities	500	500
Other Advances	650000	1000
Advance Income Tax/TDS	3443287	4638100
Prepaid Expenses	50544	49076
Prepaid Expenses (Group Gratuity Fund Advance)	50000	0
	<u>4622515</u>	<u>4841960</u>

Note 17 : OTHER CURRENT ASSETS

OTHER CURRENT ASSETS

Unsecured, considered good;

Interest Accrued on Investments	22919	18406
Receivables	1653324	1519812
	<u>1676243</u>	<u>1538218</u>

NOTES ANNEXED TO THE STATEMENT OF PROFIT AND LOSS

Particulars	Amount As at 31.03.2020	Amount As at 31.03.2019
Note 18 : REVENUE FROM OPERATIONS		
Sale of Products	50159046	12726255
Other Operating Income	50159046	12726255
Note 19 : OTHER INCOME		
Interest Receipts	350119	4137
Dividend	7484	39570
Other Non-operating Income	60693	450
Rental income	16417997	15297170
	16836293	15341327
Note 20 : PURCHASE OF STOCK IN TRADE		
Cotton Yarn- Purchase		
Opening stock	0	2440240
Add: Purchases	49060710	9805523
	49060710	12245763
Closing stock	0	0
	49060710	12245763
Note 21 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and bonus	2886739	2380132
Contribution To Provident & Other Funds	384883	230526
Labour welfare expenses	123506	52045
Managing Director's Remuneration	1991940	1888560
	5387068	4551263
Note 22 : FINANCIAL COST		
Interest on Bank Loans /Overdraft from Banks	2119864	2375161
Interest on Vehicle Loan	106556	139412
Interest on Deposits	1127500	583500
Interest Others	7218	22064
Bank Charges	323447	56416
	3684585	3176553
Note 23 : DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation	1808991	1761779
Preliminary Expenses W/O	1808991	1761779
Note 24 : OTHER EXPENSES		
EB CHARGES	241233	226405
RENT	1092600	1092600
REPAIRS TO BUILDING	214478	11980
INSURANCE	122102	121576
RATES AND TAXES	233151	215290
AUDITORS REMUNERATION	25000	50000
BROKERAGE AND COMMISSION	888882	163512
MISCELLANEOUS EXPENDITURE	2581324	3436204
	5398770	5317567

Note. 25**Significant Accounting Policies and Notes to accounts:**

a. Basic of preparation of Financial Statements : The accompanying financial statements are prepared on the historical cost convention on a going concern basis, with revenue recognized and expenses accounted on accrual concept, and in accordance with the companies accounting standard rules 2006 as referred to in section 133 of the Companies Act, 2013 and in accordance with Indian Generally Accepted Accounting Principles and Accounting Standard issued by the Institute of Chartered Accountants of India, except the land which was revalued in the year 2003-2004.

b. Property, Plant and Equipment:

As approved by the Board of Directors, the Company decided to revalue its Land during the course of period so that the Shareholders would have a clear indication of the current value of their Company. The Land situated at Vellakinar Panchayat was revalued on 31.3.2004 on the basis of valuation report submitted by the valuer including land donated by Late V.C. Subbiah Gounder promoter of the company for the use of company on 11.03.1952. This revaluation has resulted in a surplus of Rs.597.36/- Lakhs out of which Rs.187.87/- Lakhs is withdrawn towards sale of portion of land and transferred to Profit & Loss account. The Balance Rs.409.49/- Lakhs is retained in the Revaluation Reserve, which it should be noted, is not available for distribution through the Profit and Loss Account.

Additions to the Property, Plant and Equipment acquired or constructed during the year, along with the borrowing cost and other related expenses up to date of completion of project incurred towards acquiring property, plant and equipment are capitalized. The company has an internal system to assess the impairment of assets. Appropriate disclosure on material impairment of losses and their treatment in profit and loss account, classes of assets and nature of impairment will be made in the year in which the impairment is recognized.

All other assets are stated at historical cost less accumulated depreciation.

The company has carried out an exercise to ascertain the impairment, if any, in the carrying values of its property, plant and equipment. The exercise has not revealed any impairment of assets during the year 2019-20.

c. Depreciation :

Depreciation on property, plant and equipment has been provided as per the schedule-II to the companies Act, 2013. Depreciation on asset addition is provided on pro-rata basis.

d. Inventories :

Items of inventory are valued on the basis given below.

- a. Cotton - Lower of the cost or Net Realisable Value.
- b. Yarn - Lower of the cost or Net Realisable Value.

e. Borrowing Cost :

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit & Loss Account.

f. Investments :

All Investments are long - term investments and are shown at cost inclusive of expenses incidental to acquisition. Permanent diminution in value, if any, will be written off as and when there is permanent reduction in value.

g. Revenue Recognition :

Sales are recognised when the significant risks and rewards of ownership are transferred to the buyer which generally coincides with the despatch from company's premises. Net sales includes sale of products.

h. Employees Benefits :**a) Short Term :**

Short term employee benefits comprising of salary, bonus and other allowances are recognized as expenses as per the Company's scheme and charges to the profit and loss account.

b) Post Retirement :**(i) Defined Contribution Plan :**

Post Retirement benefits comprise of Provident Funds, Employees State Insurance and Gratuity which are accounted as follows :

Provident Fund

This is defined plan and contributions made to the fund in accordance with applicable rules/statutes are charged to revenue. The company has no further obligations for future provident fund benefits other than contributions made to the fund.

Employee's State Insurance

Company's Contribution to Employees state insurance Corporation of India is a defined contribution plan and such contributions paid or payable during the year are charged to the profit and loss account.

(ii) Defined Benefit Plan :

Company's Liability towards Gratuity are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to built up the final obligation. The past services are recognized on a straight line basis over the average period until the amended benefit becomes vested. Actuarial gain or losses are recognized immediately in the statement of profit and loss account as income and expenses. Obligation is measured at the year end as present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligations.

The Company has taken a group gratuity Policy for future payment of gratuity with the Life Insurance Corporation of India (LIC). Payment of contribution as per the Demand made by LIC is charged to revenue.

Disclosure in respect of Accounting standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rule 2006.

	Particulars	Gratuity 2019-2020	Gratuity 2018-2019
A	Expense recognized during the year		
	1 Current Service Cost	7,872	9,052
	2 Interest Cost	73,070	69,744
	3 Expected return on plan assets	(38,619)	(35,136)
	4 Actuarial (Gain)/Loss during the year	1,47,462	(3,730)
	5 Past Service cost -vested benefits	-	-
	6 Expenses recognized in profit & loss Account	1,89,785	39,930
B	Actual return on plan assets		
	1 Expected return on plan assets	38,619	35,136
	2 Actuarial Gain/(loss) on plan assets	(3,713)	689
	3 Actual return on plan assets	34,906	35,825
C	Net Asset/(Liability) recognized in the Balance Sheet		
	1 Present Value of the obligation at the year end	12,12,130	9,87,439
	2 Fair Value of plan assets at the year end	5,30,027	4,95,121
	3 Funded status - Surplus/(Deficit)	(6,82,103)	(4,92,318)
	4 Unrecognized past service cost	-	-
	5 Net Asset/(Liability) recognized in the Balance Sheet	(6,82,103)	(4,92,318)
D	Change in Present Value of the Obligation during the year		
	1 Present Value of the obligation as at the beginning of the year	9,87,439	9,11,684
	2 Current Service Cost	7,872	9,052
	3 Interest Cost	73,070	69,744

	4 Past Service Cost(Vested Benefits)	-	-
	5 Benefits Paid	-	-
	6 Actuarial (Gain)/loss on obligation	1,43,749	(3,041)
	7 Present Value of obligation at the year end	12,12,130	9,87,439
E	Charge in Assets during the year		
	1 Fair Value of plan assets at the beginning of the year	4,95,121	4,59,296
	2 Expected return on plan assets	38,619	35,136
	3 Contributions made	-	-
	4 Benefits Paid	-	-
	5 Actuarial Gain/(loss) on plan assets	(3,713)	689
	6 Fair value of plan assets at the year end	5,30,027	4,95,121
F	Actuarial Assumptions		
	1 Discount rate	6.55%	7.40%
	2 Salary escalation	6.00%	6.00%
	3 Expected rate of return on place assets	7.05%	7.80%

i. Foreign Currency Transactions :

Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction. Any difference arising between amounts recorded and amount paid have been charged/credited to Profit & Loss Account.

j. Contingent Liabilities :

Contingent liabilities are generally not provided for and are disclosed by way of notes to the accounts.

Contingent Liabilities not provided for in respect of:

Rs. in Lakhs

31.03.20 31.03.19

a) Claims against the company not acknowledged

- as debt Penalty towards SEBI

NIL

1.75

k. Cash flow statements :

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or past of future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

l. Income Tax Expense :

Current Tax

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act,1961 and based on the expected outcome of assessments/appeals.

Tax credit is recognized in respect of Minimum Alternative Tax (MAT) as per the provisions of section 115JB of the Income tax Act,1961 based on convincing evidence that the company will pay normal income tax within the statutory time frame and is reviewed at each balance sheet date.

Deferred Tax

Deferred tax charges on credit reflect the effects of timing differences between accounting income and taxable income for the period. The deferred tax charged or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future.

m. Earning per Shares :

The basic earnings per Share ("EPS") is computed by dividing the net profit after tax for the period by the weighted average number of equity shares outstanding during the year. Details basic and diluted earning per share of face value of Rs.10/- each calculated as under

	Amount (Rs)	
	31.03.2020	31.03.2019
Net Profit/(Loss) after tax as disclosed in the P& L account	17,75,677	12,50,957
Less: Preference Dividend paid	NIL	NIL
Net Profit/(Loss) after Preference Dividend	<u>17,75,677</u>	<u>12,50,957</u>
Weighted Average number of Equity Shares	<u>5,39,800</u>	<u>5,39,800</u>
Basic and Diluted Earnings Per Share	3.29	2.32

n. GST Inputs

GST Input credit against Capital Goods are adjusted against relevant asset and net amount capitalised. Input credit against remaining goods are accounted for by adjustments against cost of the relevant goods unadjusted GST Credit is carried over as advance.

o. Accounting Standards

- The aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Estimated amount of contracts to be executed on capital account and not provided for is Rs.NIL (Previous Year Rs.NIL)
- The suit filed for recovery of debt amounting to Rs.2,40,830/- due from M/s. SSM Mills Limited are decreed in favour of the company in Honourable Court of Additional District Sessions Judge of Coimbatore. The Court directing the defendant (SSM Mills Limited) to pay a sum of Rs.4,08,929/- including interest, as per court order. The Company has filed a petition to execute the degree before Honourable Sub-Ordinate Judge court in Thiruchangodu.
- The company has accepted Inter-corporate deposit from the following companies in which the directors are interested.

	31.03.2020	31.03.2019
M/s. GNM Textiles Private Ltd.	Rs. 41,00,000	Rs.41,00,000

- Unsecured loans includes a sum of Rs.4,57,14,000/-towards deposits from the following shareholder namely.

	31.03.2020	31.03.2019
A. Fixed Deposits :		
a. Shri. RamKumar Giri	Rs. 53,00,000	Rs.53,00,000
Total	<u>Rs. 53,00,000</u>	<u>Rs.53,00,000</u>
B. Cumulative Deposits :		
a. Shri. V.S.Chinnaswamy	Rs. 8,14,000	Rs.8,14,000
Total	<u>Rs. 8,14,000</u>	<u>Rs. 8,14,000</u>
C. Fixed Deposits (Interest Free)	31.03.2020	31.03.2019
Shri. V.S.Chinnaswamy	Rs. 2,60,00,000	Rs. 2,60,00,000
Total	<u>Rs. 2,60,00,000</u>	<u>Rs. 2,60,00,000</u>

D. Fixed Deposit includes a sum of Rs.1,36,00,000/- towards deposit from the following director with interest at the rate of 4% w.e.f. 01.04.2019.	31.03.2020	31.03.2019
a. Senthil Chinnasamy	Rs. 1,36,00,000	Rs. 1,36,00,000
b. Senthil Chinnasamy (accrued Interest)	Rs. 4,89,600	Nil
Total	<u>Rs. 1,40,89,600</u>	<u>Rs. 1,36,00,000</u>
6. a. Unsecured loans includes a sum of Rs. 2,79,353/- towards interest free deposits from the following directors namely Cumulative Deposits (Interest Free)		
Shri. V.S.Chinnaswamy	Rs.2,79,353	Rs. 2,79,353
Total	<u>Rs.2,79,353</u>	<u>Rs. 2,79,353</u>
b. Unsecured loan includes a sum of Rs. 37,50,000/- towards loan from the following director with interest at the rate of 9% w.e.f. 01.04.2016.		
Shri. Senthil Chinnasamy	Rs.37,50,000	Rs. 37,50,000
Shri. Senthil Chinnasamy - accrued interest	Rs. 3,03,750	Rs. 9,11,250
7. Liabilities for expenses includes a sum of Rs.9,11,448/- payable to the following directors of the company towards salaries:		
	31.03.2020	31.03.2019
a. Shri. V.S.Chinnaswamy - Chairman	Rs. 2,22,948	Rs. 2,22,948
b. Shri. V.S. Kulandaivel - Director	<u>Rs. 6,88,500</u>	<u>Rs. 6,88,500</u>
8. Unsecured loan includes interest accrued and due on inter corporate deposit, an amount of Rs.27,82,459/- (PY Rs. 28,56,059/-) due to the following concerns in which Shri. V.S. Chinnaswamy and Shri. Senthil Chinnasamy are interested.		
1. M/S. GNM Textiles Private Limited Rs. 27,82,459/- (PY Rs. 28.56.059/-)		
9. The TNVAT Assessment of the company has been completed upto 31 st March 2010 and CST Assessment of the company has been completed upto 31.03.2014. The company does not expect any liability in respect of pending Assessments.		
10. Interest and Finance charges include a sum of Rs. 2,46,000/- (PY Rs.2,46,000/-) paid/credited for fixed deposits / inter corporate deposits accepted from directors and the company in which the directors were interested.		
11. As per information available with the company, there are no dues outstanding including interest as on 31 st March 2020 to Small and Micro Enterprises as defined under Micro, Small & Medium Enterprises Development (MSMED) Act 2006.		
12. Debtors/Creditors balances are subject to confirmation and reconciliation if any.		
13. Prior period adjustment, extra ordinary and exceptional items have been disclosed separately.		
14. Depreciation on fixed assets has been charged as prescribed under Part-C Schedule II of the Companies Act, 2013 as detailed below :		
a. Assets acquired up to 31.12.1978	-	Written down Value Method
b. Assets acquired from 01.01.1982 to 31.03.1991	-	Written Down Value Method
c. Other Assets	-	Written Down Value Method
15. The Income Tax assessment of the company have been completed up to assessment year 2013-2014.		
16. Figures for the previous year have been regrouped /rearranged wherever necessary.		
17. Auditors Remuneration:	31.03.2020	31.03.2019
Audit Fees	25,000	50,000
Tax Audit Fees Representation Fees	-	-
Prior year fees-Taxation	-	-
Other Services	-	-
	<u>25,000</u>	<u>50,000</u>

18. Bills and Cheque Discounted		Nil	Nil
19. Raw-Material Consumed			
Cotton/Waste	Kgs.	Nil	Nil
Indigenous	Kgs.	Nil	Nil
	Rs.	Nil	Nil
Imported	%	Nil	Nil
	Kgs.	Nil	Nil
20. Stores and Spares Consumed			
Indigenous	Rs.	Nil	Nil
	%	Nil	Nil
Imported	Rs.	Nil	Nil
	%	Nil	Nil
21. Value of Import on CIF basis			Rs.
a) Raw-Materials			Nil
b) Capital goods			Nil
c) Components and Spare parts (Machinery)			Nil
22. Expenditure in Foreign Currency - Others			Nil
23. Amounts remitted during the year in Foreign Currency on Account of dividend			Nil
24. Earnings in foreign currency on all accounts			Nil
25. Consequent to Accounting Standard - 18 issued by ICAI on "Related Party Disclosure" following persons will be considered as related persons for the year ended as on 31st March 2020.			
01. Alankar Business Corporation (P) Limited		Same Management	
02. Madurai Soft (P) Limited		Same Management	
03. Alankar Business Services (P) Limited		Same Management	
04. Alankar Super Market (P) Limited		Same Management	
05. Sakthi Soft Drinks (P) Limited		Same Management	
06. Vee.Cee.Yes Industries (P) Limited		Same Management	
07. V.C.S.Spinner Private Limited		Same Management	
08. Anoor Chandikadevi Textiles Private Limited		Same Management	
09. G.N.M.Textiles Private Limited	Same Management	Same Management	
10. Willow Hill Private Limited		Same Management	
11. GNM Mechhno Private Limited		Same Management	
12. Mr. V.S.Chinnaswamy		Chairman	
13. Mr. V.S. Kulandaivel		Director	
14. Mr. Senthil Chinnasamy		Managing Director	
15. Mr. Ramkumar Giri		Relative to the Director	

Related party relationships are as identified by the company a) List of related parties & relationship (Rs. in thousands)

SI.No	Related Party Transaction	Companies under the Same management		Key Managerial Personnel		Total	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
1	Fixed Deposit, Accrued Interest	-	-	-	-	-	-
2	ICD, Accrued Interest	-	-	-	-	-	-
3	Cumulative deposits	-	-	-	-	-	-
4	Unsecured Loan, Accrued Interest	-	-	-	-	-	-
5	Rent	-	-	1093	1093	1093	1093
6	Remuneration & Perquisites	-	-	1992	1889	1992	1889
7	Interest	246	246	882	338	1128	584
8	Rent (Income)	61	76	-	-	61	76

As on 31.03.2020	Companies under same management	Key Managerial Personnel and their relatives	Total
Amount Payable	6907	51792	58700
Amount Payable	31	-	31
Amount Written off	-	-	-

26. Deferred Tax Liabilities/ Assets	31.03.2020		31.03.2019	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Depreciation difference between book of account and Income tax Act, :	1,33,886	-	89,121	-
43B Liabilities/Other Expenses:	6,80,010	-	6,50,945	-
40 (a)(ia) Liabilities :	-	-	-	-
Unabsorbed losses:	37,31,681	-	36,21,703	-
MAT Credit CF for set off	-	-	-	-
	<u>45,45,577</u>	-	<u>43,61,769</u>	-
Net Deferred Tax Assets/(Liabilities):	-	45,45,600	-	43,61,800
Less: Opening Deferred Tax Asset	-	43,61,800	-	41,25,500
Net Deferred Tax charged to Statement of Profit & Loss	-	1,83,800	-	2,36,300
27. Guest House Expenses of Rs. 61,236/- (P.Y. Rs. 67,594/-) included in Repairs & Maintenance have been paid in accordance with the resolution passed in that connection and the same has been approved and confirmed by the Board of Directors of the Company.				
28. The company's title of land bearing SF.No.305 & 324 in which to the extent of 62cents is under dispute for which the suit are pending before of the Honourable High Court of Chennai.				
29. The Company has received Inter Corporate Deposit of Rs.41 Lakhs from M/s. GNM Textiles Private Limited for expansion purpose on 09.09.2005, in which Shri. V.S. Chinnaswamy and Shri. Senthil Chinnasamy are interested.				
30. The company's main business segment is trading of cotton yarn and rental income. Hence, there is no separate reportable segment as per the accounting standard 17(AS-17).				
31. The Company has provided minimum bonus to employees in the books. The bonus will be determined at the time of payment.				
32. The Company has been fulfilled entire obligation through merchant exporter and received Export Obligation Discharge Certificate (EODC) from JDGFT Office, Coimbatore. Bank Guarantee Rs.2.10/- lakhs, forwarded to The Assistant Commissioner, Customs Tuticorion for cancellation of Bank Guarantee, which is in process.				
33. The company has received a notice from the office of the commissioner of customs Tuticorin dated 03.02.2017 requesting to furnish the documents relating to the EPCG licence No:3230008252, for which the company has submitted a reply vide letter dated 01.03.2017 with required documents.				

34. The company has received revised assessment order from Urban Land Tax authorities for land owned by the company. Further, the order fixed Rs.68,708/- per year from 1981 onwards (Fasali 1391) which comes Rs.15,36,250/- as an additional liability to the company. During the year 2019-20 adequate provision has been made in the books of the company.
35. A loan was obtained from a director during the year 2001-02 out of which an amount of Rs.53,00,000/- has been pending for repayment and the director has ceased to be a director.
36. The Company has received a letter dated 03.12.2014 from Madras Stock Exchange Limited informing that, the company has ceased to be a listed Company and moved on to the Dissemination Board of NSE with effect from 01.12.2014. Further, in lieu of the Company ceased to be a listed company with MSE, the CIN L17111TZ1935PLC000056 has been changed to U17111TZ1935PLC000056. Hence, compliances of Listing Agreement and Secretarial Audit under Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other related Compliances does not arise for the Company.

The company has applied to National Stock Exchange of India Limited to provide exit opportunity to Shareholders and also submitted necessary papers and documents. Subsequently the Company has been removed from Dissemination Board of NSE as per the Communication Circular dated 16.04.2019. Mr. V.S. Chinnaswamy Chairman of the Company, has deposited the money Rs.22 lakhs in an Escrow Account and executed a Bank Guarantee for Rs.40 lakhs in favour of NSE by pledging his fixed deposit on behalf of the Company. Further, the payment was made from Escrow Account to those who have submitted shares and the said shares were transferred to Mr. V.S. Chinnaswamy. The shareholders have submitted 5480 shares upto 31.03.2020 and payment was made through Escrow account for entire shares submitted by the Shareholders on exit offer process.

The Public Announcement Pursuant to Provisions of Clauses (iv), (v), (vi) & (ix) of Annexure-A to SEBI CIRCULAR SEBI/HO/MRD/DSA/CIR/P/2016/110 Dated October 10,2016 was made on 03/01/2019 and individual letter were also sent to the Shareholders. The said exit offer period of one year from 5/1/2019 to 4/1/2020, has been completed.

After the completion of one year from the end of exit offer, compliance certificate has been obtained from the Merchant Banker. The company has submitted the compliance certificate and other required documents to NSE during the year and NSE has released the bank guarantee vide letter dt. 10.11.2020 and the same was submitted to the Bank and the escrow account has been closed. Now, the Company has completely come out of the Dissemination Board.

37. The company has filed a case against M/s. Padmanabha Auto Weavers, M/s. Sri Vaari Spinning Mills, M/s. S.S.M Mills Private Limited and M/s. V.R. Textiles P. Ltd., amounting to Rs.2,26,600/-, Rs.19,19,337/-, Rs.2,40,830/- and Rs.60,06,431/- respectively towards sale of cotton yarn and cotton, which is pending in the court.
38. The Company has been exploring the possibility of extending the trading of cotton. In addition to that, efforts are being made to improve the business activities, to enter new areas & products and to increase the revenue of the company. The company has let out portion of mill building to M/s. Texmo Industries as per the memorandum amended as per the approval of shareholders on 18th February 2013.
39. The company has received from Mr. Senthil Chinnasamy, Managing Director Rs.37,50,000/- towards unsecured loan for building renovation purpose. The rate of interest at the rate of 9% per annum with effect from 01.04.2016.
40. During the year interest free Fixed deposit held by Mr. Senthil Chinnasamy Rs.1,36,00,000 has been carrying interest at the rate of 4% per annum with effect from 01.04.2019 as per the Board Resolution dated. 13.04.2019.
41. Nationwide lockdown, consequent to spread of COVID-19 pandemic had temporarily disrupted the operations of the Company. The business activities during the period (March 24th to March 31st, 2020) were inoperative, which along with the COVID impact globally (before the lockdown in India) impacted the revenues for the year. Broadly, the impact on revenue for the year is assessed at about Rs.11 lakhs. Based on the internal and external information up to the date of approval of the financial statements, the company expects to recover the carrying amounts of its assets, investments, trade receivables & contract assets. The Company will continue to monitor the future economic conditions and assess its impact on its financial statements.

As per our report of
data annexed

V.S.Chinnaswamy
Chairman
(DIN: 01745060)

Senthil Chinnasamy
Managing Director
(DIN: 00020229)

V.S.Kulandaivel
Director
(DIN: 01086943)

K.K. Velumani
Chartered Accountant
Membership No.3960

Place: Coimbatore
Date : 03.12.2020

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2020

(Rs.in thousands)

	As at 31.03.2020	As at 31.03.2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ Loss before Tax from Continuing operations	1655215	1014657
Net Profit/ Loss before Tax from Discontinuing operations	0	0
Net Profit/ Loss before Tax and extraordinary items	1655215	1014657
Adjustment for :		
Depreciation on Continuing Operations	1808991	1761779
Depreciation on Discontinuing Operations	0	0
Interest & Finance charges on Borrowings	3684585	3176553
Interest & Dividend Income	(357603)	(43707)
Profit on sale of Machinery	0	0
Fall in Value of Investments	3715	3574
Asset Written Off – Computer WIP	0	0
Income Tax	0	0
Loss on sale of Assets	0	0
Operating Profit before working capital changes	6794903	5912856
Adjustments :		
Trade & Other receivables	1848126	(789510)
Inventories	0	2440240
Loans & Advances	1258254	(2006731)
Current Liabilities	(2849725)	467780
Cash generated from Operations	7051558	6024635
Income Tax - Earlier year	(63338)	0
Cash generated from Operations before extra-ordinary items	6988220	6024635
Extraordinary Items:		
Net Cash from Operating Activities	6988220	6024635
B. CASH FLOW FROM INVESTING ACTIVITIES		
Increase or Decrease in Investments	108	0
Sale of Fixed Assets	0	0
Acquisition of Fixed Assets	(1892678)	(99563)
Interest Received	350119	4137
Dividend Received	7484	39570
Net Cash from Investing Activities	(1534967)	(55856)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital	0	0
Proceeds from Long Term Borrowings	(3526989)	(2102196)
Increase/Decrease in Short term borrowings	1359641	0
Interest Paid	(3684585)	(3176553)
Net Cash used in financing activities	(5851933)	(5278749)
Net increase in cash & cash equivalents	(398680)	690030
Net increase in cash & cash equivalents (Opening)	1406681	716650
Net increase in cash & cash equivalents (Closing)	1008001	1406680

As per our report of
data annexedV.S.Chinnaswamy
Chairman
(DIN: 01745060)Senthil Chinnasamy
Managing Director
(DIN: 00020229)V.S.Kulandaivel
Director
(DIN: 01086943)K.K. Velumani
Chartered Accountant
Membership No.3960Place: Coimbatore
Date : 03.12.2020

Form No. MGT-11
 Proxy Form
 (Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3)
 of the Companies (Management and Administration) Rules, 2014)

CIN U17111TZ1935PLC000056
 Name of the Company GNANAMBIKAI MILLS LIMITED
 Registered Office No. 551, Alankar Building, III Floor, D.B. Road
 R.S. Puram, Coimbatore - 641 002.
 Name of the Members
 Registered Address
 E-mail Id
 Folio No. / Client Id
 DP ID

I/We, being the member(s) ofshares of the above named company, hereby appoint.

- 1. Name :
 Address :
 E-mail Id :
 Signature : of failing him.
- 1. Name :
 Address :
 E-mail Id :
 Signature : of failing him.
- 3. Name :
 Address :
 E-mail Id :
 Signature : of failing him.

as my/our proxy to attend and vote (on a poll) for me / us and on my / our behalf of the 83rd Annual General Meeting to be held on Thursday, the 31st December 2020 at 4.30 PM at registered office of the company and at any adjournment thereof in respect of such resolutions as are indicated below :

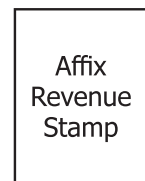
Resolution No.

- 1.
- 2.
- 3.

Signed this day of 20.....

Signature of Shareholder

Signature of Proxy Holder(s)



Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

BOOK POST
Printed Matter

To

If Undelivered please return to :
GNANAMBIKAI MILLS LIMITED
Registered Office :
Alankar Building, III Floor, 551, D.B. Road, R.S. Puram,
Coimbatore - 641 002.